



To: Joel Boyd, Superintendent
From: Billie Jo Turner, Assistant Superintendent of Finance/CFO
RE: End of Fiscal Year Budget Transfer
Date: June 11, 2021

Overview

As explained at previous meetings, we continuously project our year end balances using the information available at the time. On March 3 and May 19, the School Committee voted to move significant available balances to areas that have been historically underfunded. Some of these transfers included increasing funding for technology, professional development, facilities and playgrounds. The transfer dated May 19th was the last transfer that could impact spending since June 4th was the City's deadline for entering purchase orders. Thus, we explained that we would present one last transfer for the June 16th meeting that would move the estimated remaining balances into the SPED stabilization account. This requires both School Committee approval and City Council approval.

Forecasted Line Item Surpluses

The most recent comparison of budget to actuals shows a remaining balance of savings equaling \$3 million. This \$3 million stems from remaining funds in facilities, transportation, SPED contracted services and other miscellaneous accounts. \$1,475,040 of this \$3 million is earmarked for the following:

\$441,040	Funds earmarked for yearend PD for schools
\$834,000	Replenish CB Revolving Account to maximum allowed
\$200,000	Amount needed for remainder of year for SPED transportation

The remaining \$1,524,959 should be transferred into the SPED stabilization account to offset future unbudgeted costs including the inevitable bad bills that are caused by after the fact billing due to DCF and homeless placements. It's important to also note that accounts like cancelled purchase orders and unused earmarked dollars could further increase the District's total available savings as we manage our various accounts through the close of FY21. After this transfer into the SPED stabilization account, any remaining balances (due to lower than expected costs of

professional development or transportation and closed purchase orders) can support the City's request to help offset the cost of the roof of the Freshman Academy.

SPED Stabilization Account

The SPED stabilization account can be used to fund unanticipated or unbudgeted costs of special education, out of district tuition or SPED transportation. Funds in this reserve account can be expended or transferred out after a majority vote of both the School Committee and City Council. Due to the inevitability of bad bills due to SPED laws and the volatility of SPED transportation costs, this fund will serve as a funding source for such unanticipated costs in the future. For instance, in July we will bring forward out of district bills that were referenced in our presentation to the City Council and School Committee earlier in the year. As explained at that time, we did not recommend payment of these invoices since we needed to investigate and determine whether they were legitimate bills since the services supposedly occurred during COVID. At this time, we have researched \$141,986 in bills to ensure that services were provided and are now working to obtain vendor certifications. Per the January 6th motion to present bad bills to the SC prior to obtaining City Council approval to pay, we will bring these bills forward on July 21st. Once we bring these forward, we plan to have such bills charged against the SPED stabilization as they are unbudgeted costs for FY21/22.

Recommended Budget Transfer

With the current budget to actual analysis, we recommend transferring funds from the accounts with savings to other accounts that will allow us to fund the initiatives listed above. In addition, we recommend moving \$1 million of expenses from the circuit breaker revolving account to the general fund which will increase the available balance in the revolving fund and reduce the savings in the general fund. Thus, the following transfer is recommended:

From:

Capital Improvement \$1 million
Transportation \$83k
SPED Contracted Services \$231k
Miscellaneous \$211k

To:

SPED Stabilization Account \$1.525 million

Next Steps:

June 16 Vote to move available funds into SPED stabilization
June 22 City Council votes to accept the transfer into SPED stabilization
July 21 Present vetted bills to SC to forward to City for payment from SPED stabilization

Recommended Action

It is recommended that the School Committee vote to accept the attached transfer.

Requestor: Jaclyn Kelleher-Roy

Date: 6/11/2021

1,524,958.79

(1,524,958.79)

Request to move a portion of the District surplus to the SPED Stabilization Reserve Fund to cover potential future unanticipated costs of special education out of district tuition and/or transportation.

ment Head Approval: 

Auditor Approval: